

# Service Area Plan

## Department of Veterans' Services

### Administrative and Support Services (49900)

## Service Area Background Information

### Service Area Description

The Administrative Services section provides the necessary fiscal, payroll, procurement, information technology, and human resources support that allow the agency to function within the requirements of state laws and regulations governing these areas of operations.

The offices of the Commissioner and Chief Deputy Commissioner provide the leadership and guidance necessary for effective department operations.

### Service Area Alignment to Mission

The Administrative Services enables the department's four service delivery sections – Benefit Services, Care Center Services, Cemetery Services, and the State Approving Agency for Veterans Education – to carry out their mission of serving Virginia's veterans.

### Service Area Statutory Authority

Title 2.2, Chapter 20 provides for the establishment of a Department of Veterans Services and the appointment of a Commissioner of Veterans Services. It outlines the administrative responsibilities of the department and the general and additional powers of the Commissioner.

### Service Area Customer Base

Customer(s)	Served	Potential
Benefits Services Section	48	48
Care Center Services Section	240	240
Cemetery Services Section	9	9
State Approving Agency for Veterans Education	6	6

### Anticipated Changes In Service Area Customer Base

With the opening of the Sitter-Barfoot Veterans Care Center in Richmond in FY07 or FY08, the Administrative Services section's customer base will expand to include the additional healthcare staff necessary to operate a 160-bed facility. An 80-bed addition is expected to open in FY08 or later, which will further increase the number of healthcare staff.

A study funded by the 2005 General Assembly will determine if a third veterans care center is needed in the Hampton Roads area. If warranted, the construction of a third center, likely beginning in FY10 or later, will further expand the employee level for the Department of Veterans Services.

It is also possible that a third veterans cemetery will be built in Southwest Virginia in FY08 or later. This will have minimal impact on the overall employee level for the Department, adding an estimated five to seven full-time positions. As more customers are served at the Virginia Veterans Cemetery and the Albert G. Horton, Jr. Memorial Veterans Cemetery, it is possible that additional staff could be added. Again, the impact on Administrative Services will be minimal, especially as compared to the opening of a new veterans care center. Other possible changes include the addition of staff to the Benefit Services section and the State Approving Agency for Veterans Education. These numbers should be relatively small, with a small impact on the Administrative Services section.

All told, it is expected that the employment level will increase by approximately 500 employees over the four-year period outlined above.

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#### **Service Area Products and Services**

- The Administrative Services section provides multiple services to the departments four service-delivery sections, including budget preparation and financial reporting, accounts payable and accounts receivable, payroll processing, procurement of goods and services, recording of assets and inventory control, and all functions associated with human resources such as recruitment and selection, employee evaluations, position classification and compensation, grievance processing, and administration of benefits plans
- The offices of the Commissioner and Chief Deputy Commissioner provide the leadership and guidance necessary for effective department operations. Employees in these offices provide staff assistance to the Board of Veterans Services, the Joint Leadership Council of Veterans Service Organizations, the Veterans Services Foundation, and the Veterans Care Center Advisory Committee

#### **Factors Impacting Service Area Products and Services**

The department lacks the internal automated systems needed to facilitate the processing of data and to streamline operations. This results in time-consuming efforts to gather information for agency planning purposes, to prepare required reports, and to process financial transactions. Further negative impacts include duplication of effort and an increased error/omission rate. The department is researching options to improve data processing operations, including the purchase of an automated financial management system.

#### **Anticipated Changes To Service Area Products and Services**

The services provided by the Administrative Services section will expand in the next four to six years. A new 160-bed veterans care center will open in 2007, and plans for an additional veterans care center and cemetery will impact service delivery. The section's staffing level will need to be augmented to meet the additional demand for services, or other means of service delivery will need to be explored.

#### **Service Area Human Resources Summary**

##### **Service Area Human Resources Overview**

The Administrative Services section is comprised of a mix of salaried and wage employees. Employees provide budget, financial reporting, payroll, accounts payable, procurement, inventory control, and human resource services to all department service areas.

Current staffing levels are adequate to maintain the department at its current activity level. However, with the opening of a new veteran care center in 2007, additional staffing will be required.

##### **Service Area Full-Time Equivalent (FTE) Position Summary**

Effective Date:	7/1/2005
Total Authorized Position level .....	18
Vacant Positions .....	0
Non-Classified (Filled).....	3
Full-Time Classified (Filled) .....	15
Part-Time Classified (Filled) .....	0
Faculty (Filled) .....	0
Wage .....	3
Contract Employees .....	0
Total Human Resource Level .....	21

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#### Factors Impacting Service Area Human Resources

Higher paying federal government or private sector positions threaten to drain the Administrative Services section of highly capable and trained employees.

Multi-tasking for a small administrative staff and lack of automated systems to facilitate and streamline job functions also threatens the stability of current staffing levels.

#### Anticipated Changes in Service Area Human Resources

#### Service Area Financial Summary

The base budget is comprised of the total appropriation for program 49900, General Management and Direction, which includes the offices of the Commissioner and Chief Deputy Commissioner

Funding for the Administrative Services section is derived from billing each service area for their proportionate share of the cost of operations. Time sheets are maintained for payroll and benefits cost distribution. Based on the percentage of costs for payroll, each service area is billed accordingly for other operating costs such as travel, supplies, equipment, etc.

Additional one-time funding is needed for the implementation of an automated financial management system. This system is needed to improve efficiency, accuracy and streamline administrative services. With the exception of information that is entered into such state management systems as CARS, PMIS, eVA and CIPPS, all of the Administrative Services section's accounting, financial information, procurement and human resource activities are contained in spreadsheets that are prepared through manually gathering information and data. Expansion of services with the opening of a new veterans care center in 2007 necessitates taking steps to contain the cost and improve the processes of administrative services while continuing to provide essential services in a timely and accurate manner. It is estimated that the required financial management system will cost \$500,000. Funding levels in other service areas that the Administrative Services section supports is not sufficient to share in the cost of this system. Consequently, a general fund appropriation will be requested.

Additional staff will be required to provide services for the new veterans care center in Richmond scheduled to open in 2007. It is projected that eight additional full-time employees will be required to support the new care center – three in Human Resources, two in payroll, and one each in procurement, accounts payable, and financial reporting.

The estimated cost of the eight additional positions is \$399,782. Positions are funded through billing all service areas for their proportionate share of the cost. Consequently, approximately 85% of funding will come from nongeneral fund revenue receipts, with 15% from the general fund. The general fund appropriation can be accomplished by a direct appropriation to the Administrative Service section or by increasing the general fund appropriation for the Benefits Services and Cemetery Services sections by 15%. The Benefits Services section is the only service area fully funded by general fund revenue, while the Cemetery Services section is partially funded.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	<b>General Fund</b>	<b>Nongeneral Fund</b>	<b>General Fund</b>	<b>Nongeneral Fund</b>
<b>Base Budget</b>	\$810,510	\$711,575	\$810,510	\$711,575
<b>Changes To Base</b>	\$29,172	\$21,085	\$29,172	\$21,085
<b>SERVICE AREA TOTAL</b>	<b>\$839,682</b>	<b>\$732,660</b>	<b>\$839,682</b>	<b>\$732,660</b>

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## Service Area Objectives, Measures, and Strategies

### Objective 49900.01

***To implement the use of automated systems to improve the efficiency and accuracy of reports, financial statements, budget documents, and records, and to facilitate the sharing of information.***

With the exception of information that is entered into such state management systems as CARS, PMIS, eVA and CIPPS, all of the Administrative Services section's accounting, financial information, procurement and human resource activities are contained in spreadsheets that are prepared through manually gathering information and data. An automated system could collect, process, and compile data for all service areas of the department. A one-time appropriation will be necessary to fund the required system. The proposed system should have the capability of interfacing with those state systems accessed on a daily basis, such as CARS, CIPPS, PMIS, FAACS, etc., in order to prevent the duplicate entry and processing of information.

#### **This Objective Supports the Following Agency Goals:**

- Improve the effectiveness, accuracy, and accountability of administrative services

#### **This Objective Has The Following Measure(s):**

- **Measure 49900.01.01**

***Number of hours per month devoted to accounts payable functions.***

**Measure Type:** Outcome      **Measure Frequency:** Quarterly

**Measure Baseline:** New measure. Data collected in FY06 on the number of hours required to manually perform accounts payable tasks will serve as the baseline for this measure

**Measure Target:** Reduce the number of hours needed to perform accounts payable functions by at least 25% through the automated collection and entry of data

**Measure Source and Calculation:**

Data will be collected from documents prepared by the accounts payable office for payment of invoices, travel, and deposits of revenues collected for all service areas

- **Measure 49900.01.02**

***Number of hours per month devoted to procurement functions.***

**Measure Type:** Outcome      **Measure Frequency:** Quarterly

**Measure Baseline:** New measure. Data collected in FY06 on the number of hours required to manually perform procurement office tasks will serve as the baseline for this measure

**Measure Target:** Reduce the number of hours needed to perform procurement functions by at least 25% through the automated collection and entry of data

**Measure Source and Calculation:**

Data will be collected from documents prepared by the procurement office

#### **Objective 49900.01 Has the Following Strategies:**

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- The department will request funds in FY07 to support the purchase of a financial management system, with the purpose of improving the efficiency and accuracy of data processing operations through automation

#### **Objective 49900.02**

***To balance day-to-day management operations with long-term, objective planning functions and special assignments/tasks required of a growing agency.***

While section staff members demonstrate proficiency in the performance of their duties, most tasks focus on the day-to-day management activities of the department. Little time is available, and hence devoted, to long-term planning efforts and the completion of special tasks. The Department of Veterans Services now has over 300 employees, and could gain another 500 to 600 in the next decade. Time must be made available if department employees are to effectively and efficiently manage this growth. In addition, a myriad of special tasks and assignments has accompanied the department's recent growth, and is sure to accompany any future growth. Again, time is needed to effectively manage these additional responsibilities.

#### **This Objective Supports the Following Agency Goals:**

- Improve the effectiveness, accuracy, and accountability of administrative services

#### **This Objective Has The Following Measure(s):**

- **Measure 49900.02.01**

***Number of hours devoted to long-term planning functions.***

**Measure Type:** Outcome      **Measure Frequency:** Monthly

**Measure Baseline:** New measure. Data collected in FY06 on the number of hours devoted to long-term planning functions will serve as the baseline for this measure

**Measure Target:** On average, section employees should be able to devote at least 5% of their time to long-term planning efforts

**Measure Source and Calculation:**  
Monthly review of each employee's work record

- **Measure 49900.02.02**

***Number of hours devoted to special assignments/tasks.***

**Measure Type:** Outcome      **Measure Frequency:** Monthly

**Measure Baseline:** New measure. Data collected in FY06 on the number of hours devoted to long-term planning functions will serve as the baseline for this measure

**Measure Target:** On average, section employees should be able to devote at least 5% of their time to special assignments/tasks

**Measure Source and Calculation:**  
Monthly review of each employee's work record

#### **Objective 49900.02 Has the Following Strategies:**

- Provide training in state systems and programs to improve knowledge, skills, and abilities.
- Reassign employee duties and responsibilities commensurate with demonstrated abilities.
- Re-align duties and responsibilities, and seek additional staff as required, if the time needed for completion of planning efforts and special assignments exceeds the number of available work hours.

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#### **Objective 49900.03**

***To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.***

#### **This Objective Supports the Following Agency Goals:**

- Improve the effectiveness, accuracy, and accountability of administrative services

#### **This Objective Has The Following Measure(s):**

- **Measure 49900.03.01**

***Percent of Governor's Management scorecard categories marked as meets expectations for the agency***

**Measure Type:** Outcome

**Measure Frequency:** Annually

**Measure Baseline:** 60%

**Measure Target:** 100% of Governor's Management scorecard categories marked as meets expectations

**Measure Source and Calculation:**

The Management Scorecard grades agencies on five criteria: Human Resource Management, Government Procurement, Financial Management, Technology, and Performance Management (the sixth, "Environmental & Historic Resource Stewardship" was not measured in 2005).

Dividing the number of scorecard categories that meet expectations by the number of categories (i.e. 5) yields the percentage of scorecard categories that meet expectations.

#### **Objective 49900.03 Has the Following Strategies:**

- DVS will take the necessary steps to ensure 100% of scorecard categories meet expectations